

INVESTIGATION

Corrupt Guatemalans' GOP Lifeline

U.S. Republicans are weakening a U.N. anti-corruption investigation into President Jimmy Morales. What are they getting in exchange?

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In February 2018, U.S. President Donald Trump took a break from the National Prayer Breakfast to thank Guatemalan President Jimmy Morales for supporting the White House's controversial decision to move the U.S. Embassy in Israel to Jerusalem—the first world leader to show such support. And Morales's reward has proved far greater than the handshake and photo-op he took home from his trip to Washington.

Over the past two years, the Trump administration's political appointees have worked to undermine a highly regarded U.N. anti-corruption commission in Guatemala, one that has uncovered alleged illegal campaign contributions to Morales, as well as allegations of corruption by his brother and son.

When Morales announced plans in early January to terminate the U.N. commission's mandate, giving its investigators 24 hours to shut their office, the U.S. response was limited to a mild statement of concern about corruption in Guatemala from the U.S. Embassy. It didn't even mention the U.N. commission.

For more than a decade, U.S. presidents and lawmakers from both parties agreed that the U.N. International Commission Against Impunity in Guatemala—known by its Spanish acronym, CICIG—offered the best hope of confronting a destructive legacy of corruption in the Central American country. The State Department's regional experts believe the commission has stemmed the flow of immigrants and drugs to the United States.

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"The administration says it wants to reduce the flow of immigrants over the border," said Stephen Pomper, the director of the International Crisis Group's U.S. program. "Here was a humane program that promoted the rule of law, that helped Guatemalans, that could have reduced those flows. So what happened?"

One thing that happened was that Guatemala's conservative president, himself an evangelical Christian, has succeeded in shattering the political consensus, forging alliances with a coalition of U.S. conservatives. That coalition includes Trump, Vice President Mike Pence, former U.N. envoy Nikki Haley, Sen. Marco Rubio, evangelical Christians, and conservative think tanks and pundits who share antipathy toward the United Nations and a preference for friendly sovereign states to be able to act as they please.

"We have seen a breakdown of the bipartisan consensus on the issue of anti-corruption and democratic governance," said Eric Olson of the Seattle International Foundation, which funds anti-poverty programs throughout Central America. "If you can prove you're going to be loyal on something—in this case moving the embassy to Jerusalem or not backing China's claims on Taiwan—[the United States] may go light on corruption."

The U.S. retreat on the Guatemala commission is just the latest manifestation of its enmity toward international institutions that promote justice around the globe. (Last year, the United States threatened to halt cooperation with the International Criminal Court.) Pulling the rug out from under the commission could undercut Guatemala's police and courts.

"Behind all of this is a slow but clear dismantling of what was a top priority for the U.S. and could result in more drug trafficking, weaker institutions, and a return to the old ways," Olson said.

The U.N. commission was established in 2006 to help Guatemala's public prosecutor and national police investigate complex corruption and organized crime cases, which contributed to a massive spike in murders in Guatemala. The reforms it has spurred have radically remade the Guatemalan justice system and led to a precipitous decline in homicides, according to Renard Sexton, a postdoctoral fellow at Princeton University who conducted a study of violent deaths for the International Crisis Group. "It was quite obvious that CICIG had reduced the homicide rate in Guatemala," Sexton said.

The commission enjoyed broad support from Democratic and Republican lawmakers, who appropriated \$44.5 million for it over the past decade. Influential Republicans such as former Sen. Bob Corker, then-chair of the Senate Foreign Relations Committee, and former Rep. Ed Royce, then-chair of the House Foreign Affairs Committee, were among its most stalwart supporters.

The commission is led by a Colombian prosecutor, Iván Velásquez, whose crime-fighting reputation has made him one of the most popular public figures in Guatemala. One 2017 [poll](#) found that 71 percent of Guatemalans had trust in the U.N. commission, better than their view of other public institutions.

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The commission has trained Guatemalan law enforcement in the use of modern investigative techniques, including the use of wiretaps, and pursued cases to the highest levels of government. In 2015, Guatemalan prosecutors, working closely with the commission, implicated then-President Otto Pérez Molina and his vice president, Roxana Baldetti, in a bribery conspiracy. Pérez Molina was forced to [resign](#) in September of that year. In October 2018, Baldetti was [sentenced](#) to 15 years in prison on corruption charges.

Pérez Molina's fall opened the path to the presidency for Morales, who campaigned on an anti-corruption platform with the slogan "*Ni corrupto ni ladrón*"—neither corrupt nor a thief. But he has grown increasingly hostile toward Velásquez after the commission began investigating charges of illegal campaign financing during the 2015 presidential election, as well as [fraud](#) by his older brother, Samuel Morales, and one of his sons, José Manuel Morales. The fraud case involved the illicit billing in 2013 of \$12,000 in meals to a federal agency by the mother of José Manuel's then-girlfriend. Guatemala's ambassador to the United States, Manuel Alfredo Espina Pinto, did not respond to a request for comment.

U.N. Secretary-General António Guterres has vowed to continue supporting CICIG, even if the commissioner is operating outside the country. Even before the current crisis, the U.N. had concluded that Velásquez's relationship with Morales had deteriorated so much that it was searching for his successor.

Late last August, Morales moved to shut down the commission by the end of its mandate in 2019. Speaking from the national palace and flanked by dozens of Guatemalan army officers, Morales denounced the commission as a threat to national security. Meanwhile, the Guatemalan military dispatched U.S.-supplied jeeps to CICIG's headquarters.

The next day, on Sept. 1, U.S. Secretary of State Mike Pompeo posted a rare tweet about Guatemala. The missive, however, made no mention of the Guatemalan show of force or of the government's effort to hamstring the commission. Instead, Pompeo underscored the importance of the U.S. relationship with Guatemala. "We greatly appreciate Guatemala's efforts in counternarcotics and security," he wrote.

Since Trump's election, Morales, a former television comic with roots in Guatemala's

evangelical Christian community, has steered his country ever closer to the White House. He quickly seconded the U.S. decision to recognize Venezuelan opposition leader Juan Guaidó as that country's only legitimate president and fended off appeals from Beijing to recognize its sovereignty over Taiwan. Most visibly, he was the first world leader to copy Trump's embassy move to Jerusalem.

As Morales has sought to hamstring the commission that is investigating him, he has gotten political cover from Capitol Hill, political appointees in the State Department, and the White House.

Last March, Haley, then-U.S. ambassador to the United Nations, traveled to Guatemala City as part of a Central American friendship tour to glad-hand countries that stood with the United States in a U.N. vote denouncing the U.S. decision to recognize Jerusalem as Israel's capital.

Haley said the visit was aimed at promoting the fight against corruption, human trafficking, and the drug trade. She publicly underlined U.S. support for the U.N. commission and advised Morales in a face-to-face meeting that it was "in his best interest" to cooperate.

But privately, in a meeting that included Velásquez and Guatemala's then-attorney general, Haley dressed down the U.S. ambassador, Luis Arreaga, for publicly supporting the U.N. commission, according to three diplomatic sources briefed on the exchange. Haley was particularly irked that Arreaga had appeared at a press conference with Velásquez the month before. In photos from the event, each held a bumper sticker reading "I love CICIG" in Spanish.

"Haley requested that no more press conferences be held on high-impact cases, since that violated the principle of innocence," said Edgar Gutiérrez, a Guatemalan political analyst who played a central role in negotiating the terms of the U.N. commission with the United Nations. Haley's appeal, he said, ran counter to Guatemala's criminal procedure code, which requires public disclosure of judicial and prosecutorial actions. "It is considered a guarantee for the accused, compared to the secret judicial processes of the era of authoritarian governments," he said.

Haley delivered a similar message in public to the commission. "I told them they should be like the FBI," she said. "They don't need to be in the paper every day." The U.S. Mission to the United Nations referred questions on the matter to a Haley aide, who did not respond to emailed requests for comment.

After the trip, Haley and Kevin Moley, the U.S. assistant secretary of state in the Bureau of International Organization Affairs, began advocating a cutoff of U.S. financial assistance to the U.N. commission, according to a diplomatic source briefed on the discussion.

But they faced intense pushback from career diplomats in the State Department's Bureau of Western Hemisphere Affairs, which had steadily lost influence over Guatemala policy to Moley's bureau, and the Bureau of

International Narcotics and Law Enforcement Affairs, which provides most of the funds for the U.N. commission. Those bureaus had long championed CICIG, which they hoped could serve as a model for justice throughout the region.

Haley's team at the U.N. mission ultimately realized it couldn't kill off the commission. Instead, Haley's office developed a package of reforms, which involved the gradual disbursement of U.S. funds to CICIG once it met a series of benchmarks.

According to the plan, which was outlined in an April 10, 2018, State Department email, the United States would disburse \$2 million to the U.N. commission if it agreed to meet its demands. Another \$2 million check would be issued once the U.N. established an inspector general's office to monitor CICIG's work. The U.N. would receive an additional \$1 million after the United States appointed a deputy U.N. commissioner, who would ultimately replace Velásquez. The United States would cut the final \$1 million check once it was satisfied that the U.N. had met all of its terms.

Haley never succeeded in imposing these conditions. But the effort helped delay the commission's funding for several months.

CICIG was "corrupt" and had "overreached its mandate," Leslie Hyland, a career civil servant who wrote the April 10 email, told colleagues, according to another diplomatic source.

Hyland, who played point on Guatemala for the international organization bureau, reported to Mari Stull, a former wine blogger and food lobbyist and controversial political appointee who has since stepped down. Stull also disparaged the commission. During internal discussions, she argued that Guatemala was a sovereign nation and had the right to deal with the commission as it sought fit, according to current and former State Department officials. "Her position was that [Morales] has every right to deal with these guys as he pleases," one U.S. official said.

"I don't think she set out to empower a bunch of corrupt Guatemalan officials and disenfranchise an important process for justice, but at the end of the day, that's exactly how it ended up," a third diplomatic source said.

A State Department spokesperson declined to answer a list of questions posed by **FP**, referring instead to speeches by Trump at the U.N. General Assembly in 2017 and Pompeo in Brussels in December 2018 that underscored the importance of state sovereignty. "International organizations/institutions must respect member state sovereignty and serve the needs of member states," the spokesperson said.

The Guatemalan effort to dismantle CICIG coincided with an influence campaign that targeted influential lobbying firms with ties to Pence and Rubio.

In February 2017, Guatemalan business leaders and politicians gathered in a condominium in Guatemala City and outlined a plan to force out Velásquez, the U.N. commissioner, and Todd Robinson, then-U.S. ambassador to Guatemala and an outspoken supporter of the commission, according to an investigative report in the Guatemalan newspaper, *Nómada*, by the reporter Jody García.

"The main idea was to take control of the justice system in Guatemala," García told **Foreign Policy**. Key steps to achieve that goal, she added, were the elimination of the anti-corruption commission and the contribution of money to U.S. lobbyists with connections in Washington.

In April 2017, Marvin Mérida, an aide to the Guatemalan president, signed an \$80,000-a-month lobbying contract with an Indiana-based lobbying firm, Barnes & Thornburg. The firm's managing partner, Robert Grand, has long been a top fundraiser for Pence, a former Indiana governor.

Pence's office and Grand did not respond to requests for comment.

The contract, which stirred controversy in Guatemala when it was disclosed, was canceled shortly after. But a group of four Guatemalan lawmakers stepped up in May 2017 and signed another \$80,000-a-month, yearlong contract with Barnes & Thornburg. In September 2018, an association of Guatemalan businessmen signed a six-month, \$80,000-a-month contract with Barnes & Thornburg, ostensibly to improve relations with the U.S. government. The head of the business group is a critic of CICIG.

Another Guatemala-based organization—the Association for the Rule of Law in Central America—also signed an \$80,000-a-month contract with a powerful Florida-based lobbying firm, Greenberg Traurig. That lobby shop previously employed Trump's lawyer, Rudy Giuliani, and contributes political donations to Rubio, a key Morales ally on Capitol Hill. The Guatemalan organization's director is David Landau, a San Francisco-based publisher who blogs for the Guatemala-based conservative website Impunity Observer. He is also a longtime critic of the U.N. commission, the Obama administration, and Democrats in general.

Landau did not respond to a request for comment.

That lobbying contract makes no reference to the U.N. commission. The government filing states that the goal of the contract is to “encourage the U.S. government's support of any activities to bolster the rule of law” throughout Central America.

But the crusade against the U.N. commission received perhaps its greatest boost from an unlikely quarter.

Bill Browder, the billionaire hedge fund investor who championed sanctions against Russia, has embraced the cause of a Russian family prosecuted in Guatemala with the assistance of the U.N. commission.

Igor Bitkov, a Russian businessman, fled Russia in 2008 with his wife and daughter and eventually settled in Guatemala. But they purchased false identity documents and were caught up in a wide-ranging investigation into a criminal ring inside the government's migration agency that was selling fake travel and citizenship documents.

Igor's wife, Irina, reached out to Browder for help, persuading him that her family was the victim of a revenge campaign by Russian President Vladimir Putin and his banking cronies. Browder alleged that Guatemalan prosecutors and the head of the U.N. commission conspired with Russian authorities to persecute and prosecute the Russian family—a claim that the U.N. denies.

But Browder's lobbying efforts have won over many top Republicans. Last year, Browder presented lawmakers with a PowerPoint presentation documenting what he viewed as Russia's persecution of the Bitkovs.

According to the presentation, Igor Bitkov took out more than \$150 million in loans from several banks to fund the expansion of a timber company he owned in Kaliningrad, Russia. In 2005, a senior executive at a state-controlled bank tried to force Bitkov to sell a controlling interest in the company at a steep discount, according to the account. Bitkov refused. Two years later, the Bitkovs' then-16-year-old daughter, Anastasia, was kidnapped in St. Petersburg and beaten and raped. The family claims it paid \$200,000 for her release.

Three Russian banks demanded that Bitkov immediately repay the loan in April 2008. When Bitkov failed to make the payment, the banks appointed a state bankruptcy administrator to sell off Bitkov's factory equipment for a fraction of its value, Browder claimed. Threatened with arrest, the Bitkovs fled the country, eventually landing in Guatemala, which has no extradition treaty with Russia. They entered the country legally but later bought falsified documents, changed their names, and started a new life as teachers in the tourist town of Antigua.

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In April 2018, well after Browder had agreed to take on the Bitkovs’ cause, the U.S. Commission on Security and Cooperation in Europe, co-chaired by Sen. Roger Wicker and Rep. Chris Smith, organized a congressional hearing that provided a forum to denounce CICIG. The hearing, titled “The Long Arm of Injustice: Did a U.N. Commission Founded to Fight Corruption Help the Kremlin Destroy a Russian Family?” highlighted the harsh treatment that the Bitkovs suffered, including an initial 19-year prison sentence for Igor and the transfer of their then-3-year-old son to a state orphanage. They have since been released and are seeking political asylum in Canada.

The following month, Senate Republicans led by Mike Lee and Rubio suspended the U.S. government’s \$6 million in annual funding to the commission for several months. That effort was closely coordinated with Haley’s office and political appointees in the State Department’s Bureau of International Organization Affairs, which were also advocating the freeze.

The funds were ultimately restored after an agreement to implement reforms, including the creation of a new post of deputy commissioner, and a requirement that the State Department conduct a review of the commission’s work. Guatemalan officials caught wind of the plan to restore funding and emailed a protest to Washington, calling the decision “outrageous.”

U.N. officials dismissed allegations of Russian influence, saying Russia “never had any links to the commission’s work” and never contributed a penny to its budget. The commission, they note, has cooperated with the State Department and U.S. immigration authorities. U.S. Immigration and Customs Enforcement played a key role in the investigation into migration crimes that ultimately resulted in the prosecution of the Bitkovs.

“This Commission is shocked and concerned about biased, contradictory and troubling information regarding legal proceedings affecting the Bitkov family, which do not conform to reality,” Loreto Ferrer, a spokeswoman for the commission, wrote to Congress in April. “We are surprised that unfounded allegations of interference by a foreign country in the conduct of criminal proceedings in Guatemala are circulating at the highest level of the U.S. Congress with no evidence.”

Gutiérrez, the Guatemalan political analyst, dismissed the assertion of a Russian conspiracy, saying it “seems crazy.” When he first began discussions with the U.N. aimed at creating the commission, he ran into fierce opposition from the then-Russian ambassador, Sergei Lavrov, in the U.N. Security Council.

Lavrov insistently railed that the commission was a U.S. invention designed to create a justice model in former Soviet republics that would ultimately be used to attack Putin’s regime. “That’s why we took the issue to a vote in the General Assembly, where we won overwhelmingly,” Gutiérrez said.

But some supporters of the commission worry the allegations, coming on top of the Trump administration’s apparent hostility to the U.N. body’s work in Guatemala, may ultimately doom CICIG.

“The fact is that most people don’t know a great deal about Central America,” one congressional aide said. “The commission’s enemies have pursued a strategy that boils down to: ‘Throw everything at the wall and see what sticks.’ And different stuff stuck.”
